

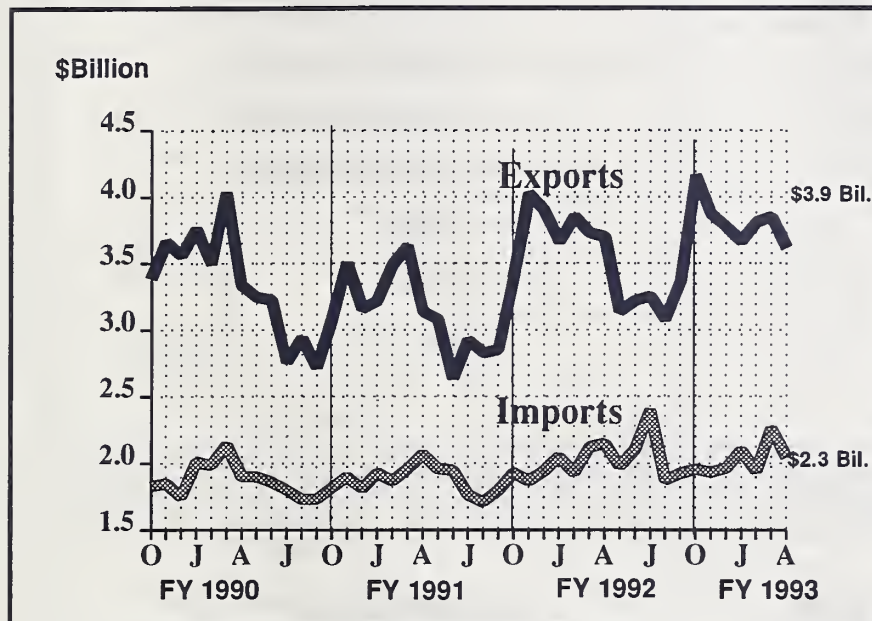
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AGRICULTURAL TRADE HIGHLIGHTS

April Exports Total \$3.6 Billion

Strong Consumer Food Exports Offset by Lower Bulk Sales



April trade statistics released on June 17, by the Commerce Department placed the value of U.S. agricultural exports at \$3.6 billion, down 6 percent from March's level and down 2 percent from the same month last year. Lower shipments of coarse grains, cotton, soybeans and tobacco account for most of the decline from the level a year earlier.

April's shipments bring U.S. exports during the first 7 months of fiscal 1993 to \$26.8 billion, up 2 percent from the same period last year. Exports of consumer-oriented foods continue to outpace levels during the previous year, while exports of intermediate and bulk products remain unchanged.

At \$1.7 billion in April, U.S. exports of *bulk commodities* were down 10 percent from the same month last year. Double digit decreases in sales of coarse grains, soybeans, cotton and tobacco more than offset increases in rice and wheat. April's performance brought bulk exports for the first 7

months of fiscal 1993 to \$12.8 billion, virtually unchanged from the same period in fiscal 1992.

U.S. exports of *intermediate products* reached \$722 million in April, off 1 percent from shipments during the previous April. Increased exports of wheat flour, animal fats and planting seeds were offset by declines in soybean meal and oils, and sugar, sweeteners and beverage bases. April's performance brought intermediate product exports for the first 7 months of fiscal 1993 to \$5.6 billion, which, like bulk commodities, was unchanged from the same period in fiscal 1992.

After five months of only single digit increases, U.S. exports of *high-value consumer-food products* resumed its double digit rate of growth, with shipments reaching \$1.2 billion in April, a 11 percent increase over the same month last year. Double digit increases in exports of pet food, poultry, processed fruit and vegetables, dairy, nursery products, and snack foods offset declines in wine and beer, eggs and

products, and juices. April's performance brought consumer food exports for the first 7 months of fiscal 1993 to \$8.4 billion, up \$550 million from the same period in fiscal 1992. Fiscal 1993 exports of high-value consumer food products, now seem well on its way to registering its seventh record in as many years.

Overall, export performance was down in 8 of the top 10 U.S. agricultural markets in April compared with the same month last year. The largest sales decline was to the EC, Mexico and South Korea. Shipments also dropped to Japan, Taiwan, the Former Soviet Union, Philippines and Egypt. Exports to Canada registered a gain of 7 percent while shipments to Hong Kong rose 3 percent above year-earlier levels.

April agricultural imports reached \$2.1 billion, unchanged from a year ago. Sharply higher imports of tobacco products were offset by a fall in imports of cotton, sugar and tropical products, and fruits and vegetables. With exports at nearly double imports, the fiscal-year-to-date *agricultural trade surplus* totals \$12.2 billion, unchanged from the same 7-month period last year. Increases in exports were offset by increases in imports.

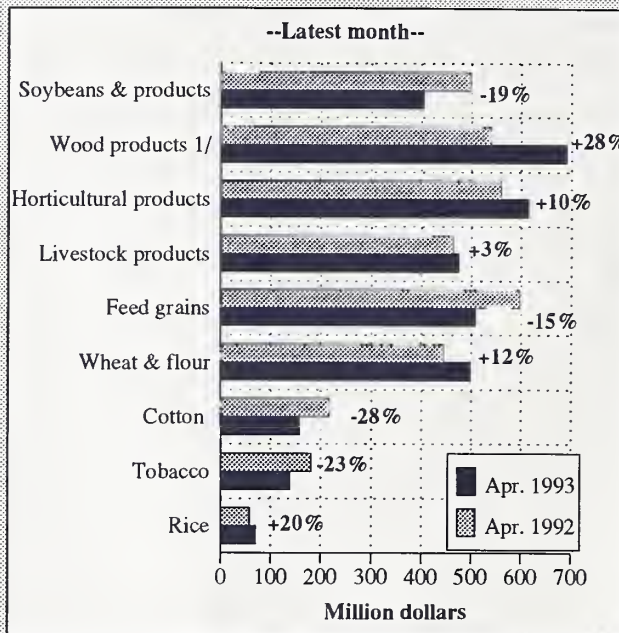
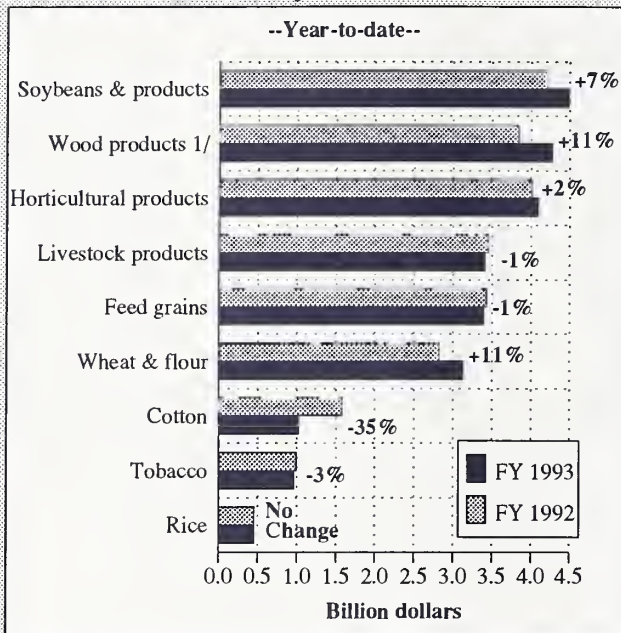
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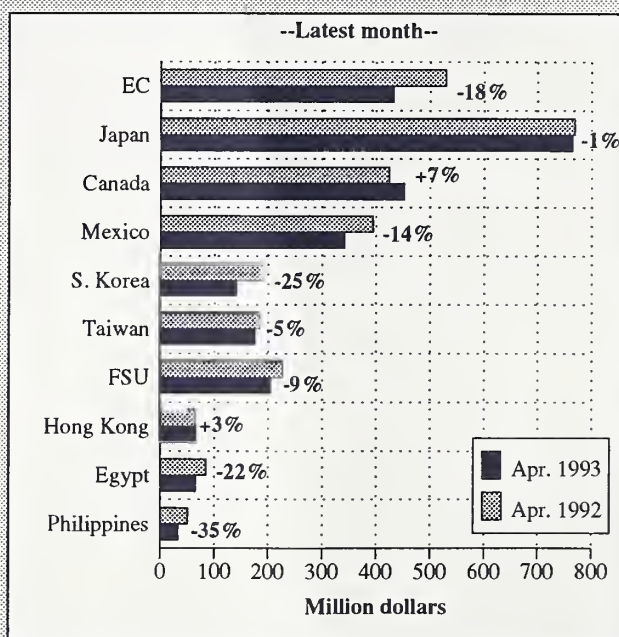
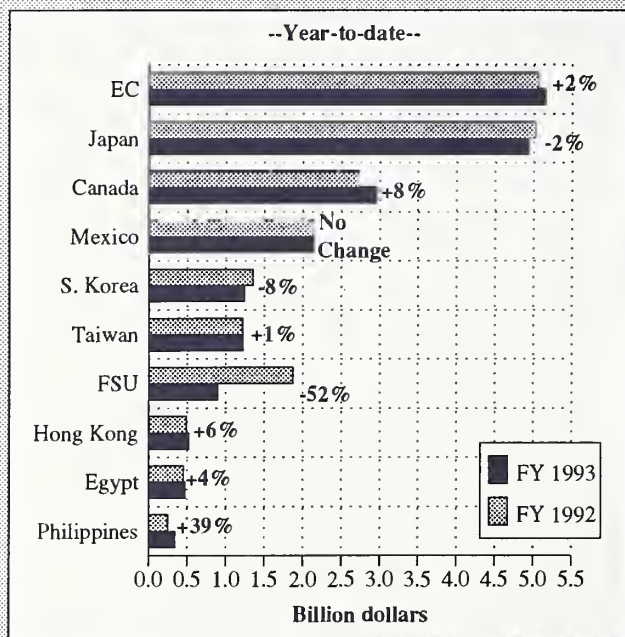
U.S. Agricultural Export Summaries

October-April and Latest Month Comparisons

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.
 1/ Not included in agricultural totals.
 2/ Negligible exports reported during comparable period last year.

Commodity Highlights

April exports of *wheat and flour* rose 12 percent from year-earlier levels to \$499 million on an 11-percent volume gain. During the first seven months of fiscal 1993, sales were up 11 percent to \$3.1 billion while volume remained almost unchanged at 23.2 million tons when compared to the first seven months of fiscal 1992. Lower supplies of high-quality Canadian and Australian wheat available for export are buoying international market prices. The sales decline to the former Soviet Union, down 57 percent in fiscal 1993, was more than offset by higher sales to many countries. Leading the way were Morocco, India, and the Philippines and Nigeria with sales increases of \$132, \$95, \$79 and \$68 million, respectively.

Exports of *feed grains* were down 15 percent in April from the previous year to \$510 million on a 1-percent volume decline. Compared to the previous fiscal year, fiscal 1993 shipments are down 1 percent at \$3.4 billion while volume is up 12 percent to 33.7 million tons. So far this year, large U.S. corn shipments to South Africa and Poland have kept total sales volumes higher when compared to the previous fiscal year. Major sales declines were largely limited to the former Soviet Union down 43 percent, and Mexico down 24 percent. The largest export increases were registered for South Africa, Poland and Canada, up \$172, \$80 and \$72 million, respectively.

The value of April exports of *oilseeds and products* fell 15 percent to \$508 million on sales of 2 million tons. In fiscal 1993, sales are up 6 percent to \$5.3 billion and volume is up 9 percent to 21.8 million tons. Fiscal 1993 exports of soybeans, the largest item, are up 10 percent to \$3.5 billion on an 11-percent gain in volume. Relatively low South American supplies of soybeans have boosted U.S. sales to the EC and our other major overseas markets. In fiscal 1993, soybean and products sales to all countries are up 7 percent at \$4.5 billion. Exports are up 19 percent to the EC at \$1.9 billion,

11 percent to Japan at \$668 million and 15 percent to Taiwan at \$351 million. Sales to Brazil reached \$55.8 million, up over 700 percent or \$49 million from the previous fiscal year. U.S. exports to the former Soviet Union have suffered a major decline, down 81 percent at \$93 million.

Exports of *rice* rose 20 percent in April to \$70 million, and were up 47 percent on a volume basis. In fiscal 1993, shipments are unchanged at \$458 million while volume is up 10 percent to 1.5 million tons. The top five markets are showing mixed results in fiscal 1993. Exports to Saudi Arabia, Turkey and Mexico are up 43, 51 and 760 percent, respectively. Sales are down to the EC and Canada by 8 and 9 percent, respectively.

Cotton exports have been weak all year and April was no exception. Exports for the month were off 28 percent at \$157 million, on a 24-percent decline in volume. In fiscal 1993, sales are down 35 percent at \$1 billion and volume is down 27 percent to 775,000 tons. A sluggish demand in global markets and strong competition from other suppliers are the major reasons for these declines. Of the top five markets in fiscal 1993, only Mexico recorded a sales increase, up 239 percent to \$98 million. Shipments are down 20 percent to South Korea, 36 percent to Japan, 42 percent to the EC, and 53 percent to Indonesia.

April exports of *unmanufactured tobacco* were down 23 percent to \$139 million, on a 22-percent decline in volume. However, in fiscal 1993, sales are down only 3 percent at \$961 million and volume is up 1 percent at 160,000 tons. The year-to-date decrease remained small largely due to increased sales to Turkey and no change in sales to the EC and Japan, the two largest markets for U.S. tobacco.

Exports of all *horticultural products* rose 10 percent in April to \$616 million. This brings fiscal 1993 shipments to \$4.1 billion, up 2 percent from the same period last year. On a

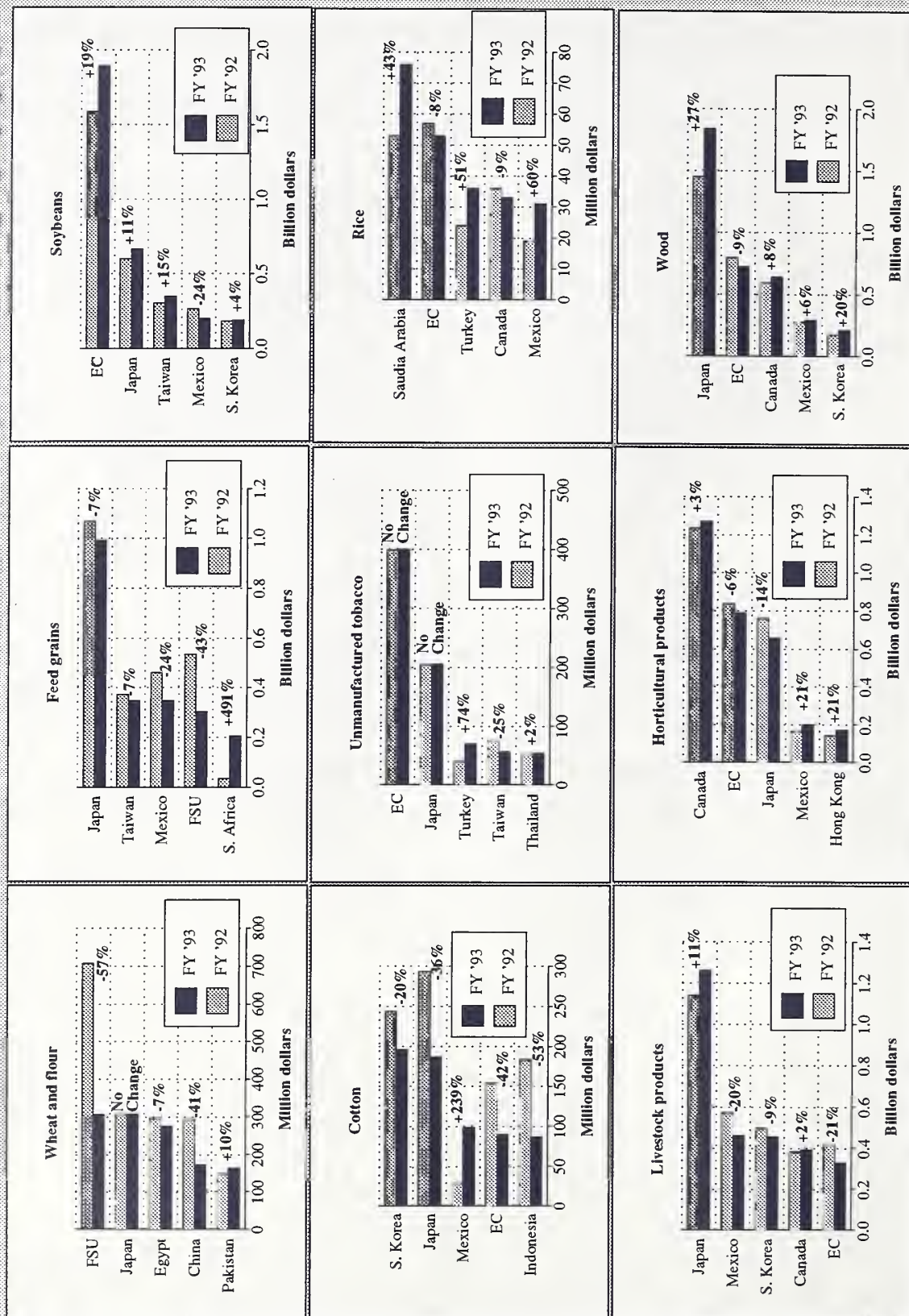
year-to-date basis, fresh and processed fruit exports are down due to the record 1992 fruit harvest in Europe and weaker U.S. citrus prices. Tree nut exports are down slightly due to a relatively poor U.S. almond crop despite recent price hikes for almonds. Fresh vegetable exports, however, are up 10 percent to \$863 million due to strong sales to Canada and Mexico. Sales of all horticultural products to Canada, the largest market for U.S. suppliers, were up 3 percent at \$1.27 billion. At the same time, sales to the EC and Japan, the second and third largest markets, were down 6 percent and 14 percent, respectively.

Exports of *livestock products* rose 3 percent in April to \$476 million. In fiscal 1993, shipments are down 1 percent at \$3.4 billion while volume is up 7 percent at 1.7 million tons. Sales of red meats, the largest category, have grown at a weaker than expected pace because Mexico imposed higher tariffs on beef in November 1992, and Korean government purchases are down. Shipments to Mexico, South Korea and the EC are down 20 percent, 9 percent and 21 percent respectively, while sales rose 11 percent to Japan, our largest market, totaling \$1.3 billion.

April exports of *wood products* were up 28 percent to \$692 million, and sales in fiscal 1993 were up 11 percent to \$4.3 billion. This clearly indicates that U.S. exports are headed for a new record high by year's end. Most of the sales gain comes from increased shipments to Japan, up 27 percent to \$1.8 billion. Sales to Canada reached \$639 million, up 9 percent from the first seven months of fiscal 1992.

For more information, contact Ernest Carter at (202) 720-2922.

Top Five Markets for Major U.S. Commodities October-April Comparisons



Note: Percentages are computed as the change from 1992 to 1993.
1) Negligible exports reported during comparable period last year.

Country Spotlight: Singapore



U.S. agricultural exports to Singapore continued to grow in 1992, rising 7 percent to a record \$205 million. This marked five straight years of steady growth. U.S. exporters point to rising demand for convenient, high-quality foods, and food service, as major factors in the recent gains.

Consumer foods lead trade

Nearly three-fourths of U.S. shipments to Singapore are consumer-oriented products, led by processed fruits and vegetables (with \$28 million in sales last year), frozen chicken cuts (\$22 million), apples and grapes (\$14 million), beef (\$7 million), french fries (\$5 million), and prepared nuts (\$5 million). While currently small, other rising exports with strong potential for future growth include: finished chicken products (\$3 million, up 10 percent from 1991); pet food (\$2 million, up 17 percent); wine (\$2 million, up 32 percent); dates (\$1 million, up

threefold); and fresh lettuce (\$1 million, up 30 percent).

The variety of American foods imported into Singapore has grown dramatically during the past five years. In 1985, roughly 350 American brands were available on Singapore supermarket shelves compared with more than 800 today. In addition, the U.S. is now the top supplier of fresh fruits and meats. With rising affluence (at more than \$15,000 per capita, Singapore incomes are second only to Japan in Asia), and growing Western tastes expected to continue, growth in American brands at retail is expected through the 1990s.

Supermarkets continue to grow in importance in Singapore as rising incomes and growing numbers of working women have resulted in a greater demand for convenient foods and one-stop shopping. The largest chain, NTUC Fair Price, recently opened several new outlets in the many large housing complexes, where most Singaporeans live, and these are replacing the traditional wet markets as the main outlet for food.

Rising customer counts through supermarkets is also boosting sales by enhancing the impact of in-store promotions. Branded campaigns are re-

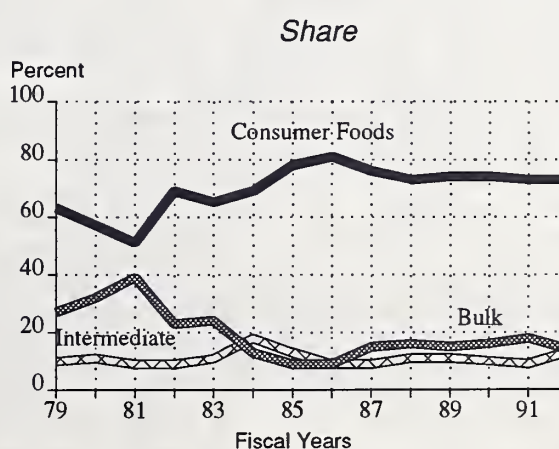
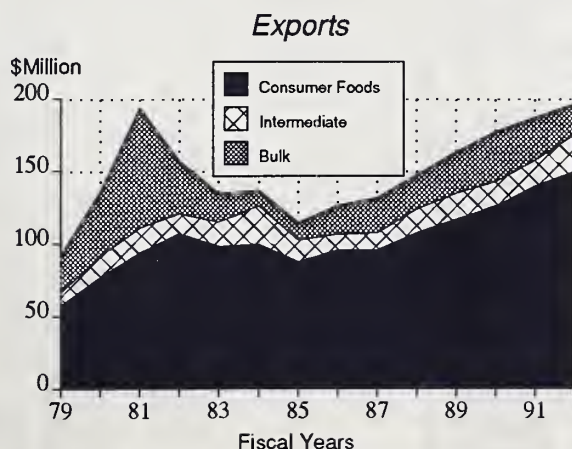
ported to be particularly successful in Singapore.

Benefiting from the rising importance of supermarkets, canned fruit and vegetable exports to Singapore reached a record \$7 million in 1992, nearly doubling levels in 1989. S&W Fine Foods reports higher sales of a variety of canned products, including canned peaches and mixed fruits. S&W foods have a well-established reputation for being high-quality and continue to enjoy sales gains despite lower-priced competition from Australia and South Africa. To ensure maximum exposure in the supermarkets, S&W negotiates to have their products placed on the shelf at eye-level; competing products are typically placed nearer the floor.

Food service important

With nearly twice as many tourists as residents in Singapore last year, food service outlets are an important destination for many American foods. U.S. meat shippers report strong demand from the premium end of the hotel, restaurant, and institutional (HRI) trade. U.S. strip steak is considered the highest quality beef available and is gaining market share despite the presence of lower priced competitors. Since 1986, the U.S. share of the Singapore beef market

Consumer Foods Dominate U.S. Sales to Singapore



...Singapore

doubled to almost 20 percent, while the share accounted for by Australia and the largest supplier New Zealand declined.

HRI channels are also fueling the rapid growth in Singapore wine imports. Total sales reached almost \$40 million in 1991, up from \$5 million in 1985. While most of these are French wines, California wines were only recently introduced in the market and are expected to gain share through the 1990s. U.S. wine sales reached a record \$2 million last year, and for the first four months of 1993, are up more than double from the same period in 1992.

Finally, the HRI sector also serves as an important promoter of U.S.-style foods in Singapore, which helps boost overall sales of U.S. foods at retail. Western-style restaurants have served as a useful product introduction vehicle for supermarket sales of french fries, sauces and dressings.

Reduced transit time to boost fresh vegetable sales

With the major carriers now offering express service to Singapore, the transit time from California has been reduced from 21 to 16 days, which has improved the prospects for increased sales of perishable products, such as fresh vegetables. The fresh vegetable market in Singapore is booming, with imports from all suppliers reaching \$123 million in 1991, almost tripling sales in 1986. Shipments from Malaysia, China, and Australia account for nearly all this gain. With the reduced transit time to Singapore, U.S. shippers should gain in this growing market with higher quality arrivals and the introduction of new products that were previously unmarketable with the added shipping time. This year, re-

cord fresh vegetable exports of \$3 million are expected, led by sales of lettuce and celery. In addition to fresh vegetables, the reduced shipping time may present increased sales opportunities for stone fruit.

Chicken faces growing competition

Despite gains in most consumer foods to Singapore, growing competition in recent years has reduced share for some products, most notably raw chicken cuts. 1992 frozen chicken cut exports were down 10 percent from the year before and down by one-fourth from the record \$28 million in 1989. Much of the decline is attributed to the rise in whole bird shipments from the European Community; its share of the Singapore chicken market has doubled to more than one-third during the past decade. The rising share is due largely to an export rebate program for EC suppliers which helps bring the delivered price below competing products. U.S. suppliers are also facing growing competition from Brazil, Thailand, and Malaysia, whose poultry sectors continue to develop.

While U.S. exports of raw cuts declined, shipments of further processed chicken products, such as franks and nuggets, have grown. Although still small at just under \$3 million in 1992, this is up from almost zero in 1989. With rising incomes and a growing demand for convenience in Singapore, the finished product trade is expected to continue rapid growth through the 1990s.

Re-export trade significant but may decline

With its long history as an important port, Singapore continues to be a major re-exporter of agricultural products to other markets in Southeast Asia. Almost one-third of Singapore's fruit and vegetable imports, and one-quarter of its dairy imports, are re-exported, to rapidly growing markets such as Malaysia and the Philippines. However, this trade out of Singapore

may decline as re-export markets in the region continue to rise and direct shipments become more feasible.

Conclusion

Fueled by high incomes, the Singapore food market is characterized by sophisticated tastes, high quality expectations and a growing demand for convenience. U.S. exporters able to meet these requirements will see the greatest sales response as the market continues to expand.

For more information, contact Mike Woolsey at (202) 690-0553.

Are you interested in exporting to Singapore? Contact *Robert Fondahn*, FAS Agricultural Trade Officer, at: Telephone: (011-65)737-1233 FAX: (011-65)732-8307.

U.S. Agricultural Exports by Commodity Type to SINGAPORE

Calendar Years 1988 to 1992 and Year-to-to-Date Comparisons
(thousands of dollars)

Product	1988	1989	1990	1991	1992	January-April 1992	1993	% Chg
BULK COMMODITY TOTAL	22,928	22,733	27,588	33,797	29,342	10,717	7,939	-25.9
Wheat	5,775	7,762	3,648	4,336	2,950	2,004	1,985	-0.9
Coarse Grains	6,906	72	59	11	25	20	57	185.0
Rice	1,189	970	2,157	1,094	1,310	398	400	0.5
Soybeans	0	0	0	0	0	0	31	
Cotton	938	2,658	3,952	3,897	2,487	1,107	675	-39.0
Tobacco	4,654	8,699	13,798	20,196	21,009 *	6,150	4,359	-29.1
Pulses	234	242	256	291	234	119	166	39.5
Peanuts	117	294	225	380	23	4	40	900.0
Other Bulk Commodities	3,115	2,036	3,493	3,593 *	1,305	916	225	-75.4
INTERMEDIATE TOTAL	15,588	17,699	17,072	18,378	26,313	8,663	10,783	24.5
Wheat Flour	29	91	127	75	126	0	69	
Soybean Meal	0	0	0	0	0	0	0	
Soybean Oil	2	0	0	21	489	23	30	30.4
Other Vegetable Oils	2,854	5,816	1,141	1,011	2,652	324	1,163	259.0
Feeds & Fodders (Excl. Pet Foods)	1,575	1,367	5,625	6,395	9,610 *	4,073	3,329	-18.3
Live Animals	921	601	457	645	804	38	315	728.9
Hides & Skins	273	301	638	2,630	4,025 *	1,105	2,507	126.9
Animal Fats	299	147	44	73	50	10	41	310.0
Planting Seeds	142	97	259	126	503 *	34	433	1173.5
Sugars, Sweeteners & Bever. Bases	5,524	4,174	4,690	3,887	4,701	1,471	1,736	18.0
Other Intermediate Products	3,968	5,105 *	4,092	3,514	3,352	1,585	1,161	-26.8
CONSUMER-ORIENTED TOTAL	108,181	116,746	125,905	139,982	149,573 *	41,696	45,939	10.2
Snack Foods (Excl. Nuts)	2,621	3,751	5,106	7,331	8,268 *	2,017	2,637	30.7
Breakfast Cereals & Pancake Mix	1,377	1,518	1,126	1,202	3,041 *	354	1,948	450.3
Red Meats, Fresh/Chilled/Frozen	3,584	6,626	6,440	8,496	9,461 *	3,361	3,476	3.4
Red Meats, Prepared/Preserved	924	984	1,215	958	705	244	481	97.1
Poultry Meat	26,997	30,313	28,880	29,393	27,884	8,879	8,832	-0.5
Dairy Products	1,579	2,449	2,790	3,511	4,213 *	1,052	1,690	60.6
Eggs & Products	204	94	196	422 *	247	148	41	-72.3
Fresh Fruit	22,388	22,987	24,459	23,176	24,769	5,729	5,291	-7.6
Fresh Vegetables	1,162	1,837	2,734 *	2,360	2,236	746	872	16.9
Processed Fruit & Vegetables	16,436	19,462	21,932	25,617	27,442 *	7,313	8,154	11.5
Fruit & Vegetable Juices	3,178	3,148	4,260	5,515 *	4,473	1,092	1,330	21.8
Tree Nuts	7,765	5,664	4,750	6,644	8,797 *	2,140	2,912	36.1
Wine and Beer	725	995	1,382	1,555	2,052 *	524	753	43.7
Nursery Products & Cut Flowers	65	98	76	124	237 *	27	62	129.6
Pet Foods	2,001	2,032	1,958	2,148	2,505 *	660	814	23.3
Other Consumer-Oriented Products	17,176	14,788	18,601	21,531	23,243 *	7,411	6,645	-10.3
AGRICULTURAL TOTAL	146,697	157,178	170,565	192,157	205,228 *	61,076	64,661	5.9

Note: (*) Denotes highest export level since at least 1970.

Product Spotlight: Frozen Sweet Corn and ...

The U.S. frozen vegetable industry offers a good example of an export success story. During the past 15 years, U.S. frozen vegetable exports rose 13 percent each year to further strengthen the U.S. position as the world's major supplier. In 1992, U.S. frozen vegetable exports totaled \$262 million or nearly 30 percent of global exports excluding intra-EC trade. Frozen corn and mixed vegetables are among the top U.S. performers, having achieved double-digit export sales growth in recent years.

Rising exports of frozen sweet corn and mixed vegetables are largely due to domestic industry strengths coupled with growing global sales opportunities and industry marketing programs in the major overseas markets. In 1992, U.S. exports of frozen sweet corn were \$49 million, and are projected to reach \$80 million by the late 1990s. With respect to frozen mixed vegetables, U.S. exports are expected to rise from \$41 million to about \$90 million by the end of this decade.

Frozen corn and mixed vegetables are among the major frozen vegetable items exported. In 1992, their export value was exceeded only by frozen french fry sales (\$137 million), which are tied to the booming fast food industry. [The story on french fry exports was covered in the March 1992 issue of "Agricultural Trade Highlights".] From 1978 to 1992, frozen corn exports rose from \$11 million (21,000 tons) to \$49 million (62,000 tons)--a yearly increase of 11 percent in sales earnings. Although trade data on frozen mixed vegetables is less extensive, a similar success

story is emerging. In 1989, U.S. frozen mixed vegetable shipments totaled 26,000 tons valued at \$28 million. By 1992, exports had grown to 38,000 tons or \$41 million. This translates to a 13-percent growth in earnings each year.

Major Export Markets and the Consumer Trends Driving Sales

In 1992, 62 percent of U.S. frozen corn exports were shipped to Japan. The other major markets were Australia, Hong Kong, the EC, Taiwan, Mexico and Canada. Accounting for only 3 percent of U.S. ex-

ports as recently as 1988, shipments to Hong Kong, Taiwan and Mexico combined now account for 15 percent of total sales. U.S. suppliers have successfully captured a commanding share of the trade in major overseas markets. In Japan and Taiwan, for example, 74 and 96 percent of all imports are supplied by the United States. Frozen corn is exported for sale to the food service industry and the retail market in several forms: on the cob, cut, cream-style or blended with other vegetables.

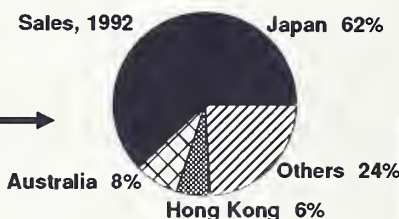
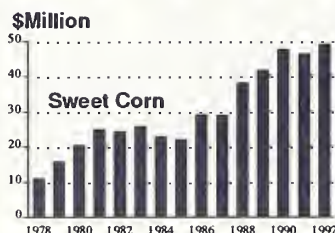
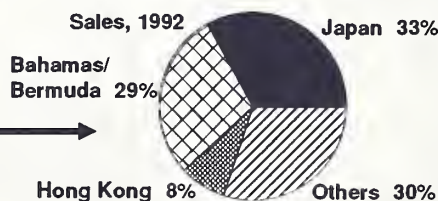
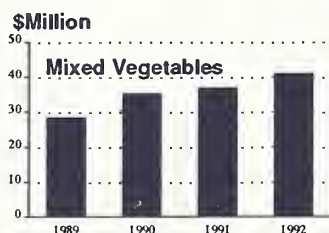
One-third of U.S. frozen mixed vegetable exports ended up in Japan's restaurants and grocery carts, and another 29 percent were shipped to the Bahamas and Bermuda. Hong Kong and Canada accounted for another 8 and 7 percent, respectively. The EC, Switzerland, Singapore, Korea, Saudi Arabia and Mexico are other important markets. The Bahamas and Bermuda were responsible for half the sales growth since 1989, where most of the product appeared on tourist menus.

U.S. companies currently export mainly plain (without seasonings or sauces) mixed vegetable combinations and salads customized to local tastes. Green Giant® has done especially well in Japan with its "Hot Salad Mix" as a side dish or entree at home. Adapted from Green Giant's® American Mixtures product line, the Tokyo Economic Journal recently identified this salad as "one of the hottest new frozen products in the Japanese market."

New consumer trends in the major export markets are creating global opportunities for new sales. Rising incomes and changing lifestyles are creating a demand for greater convenience and healthier foods. U.S. frozen vegetable suppliers are well positioned to profit from these trends because their products are both nutritious and fast and easy to prepare.

With more people eating out in the major overseas markets, restaurant sales are booming. Fast food chains like Kentucky Fried Chicken, Church's Fried Chicken and Lotteria offer U.S. cob corn as a side dish to customers in Japan, Australia, Taiwan, Korea and other countries. Compared to fresh vegetables, frozen mixed veg-

U.S. Exports Mixed Vegetables and Sweet Corn On the Rise



...Mixed Vegetables

etable packs offer several advantages to restaurants. In countries with high or rapidly-rising labor costs like Japan, Australia, Taiwan or Korea, restaurants are less likely to employ staff to buy, wash and prepare fresh vegetables on a daily basis, if frequent deliveries of frozen vegetables pre-packed in convenient, single-serve portions can be arranged. A little freezer space is all that is required.

The number of supermarkets and convenience stores that have a frozen foods section is steadily rising in all of the Asian Pacific Rim countries. In Taiwan, for example, the number of supermarkets rose from 55 in 1985 to more than 300 in 1991. During the past four years, 7-Eleven added 260 stores for a total of 680 stores in 1992. This growing access to modern retail stores fuels a demand among middle and upper-income shoppers for convenience foods and a growing interest in frozen foods.

Longer commuting distances and growing numbers of women in the work force throughout East Asia, Southeast Asia, Europe and many other countries increases the demand for home-cooked meals that are easy and simple to prepare. One indicator of this trend is the growing number of refrigerators and microwaves in homes. Frozen vegetables are pre-cooked and are especially well suited to microwave cooking. This form of cooking eliminates soggy, overcooked vegetables because it requires less water.

Domestic Industry Strengths Provide the Competitive Edge

A fundamental strength of the U.S. vegetable industry is geographic diversity and the ability to expand acreage for export markets. Vegetables are grown throughout the country with concentrations in the Western and northern Midwest states. Geographic diversity reduces the possibility of weather-related supply disruptions. A reliable supply is also ensured by the sheer magnitude of domestic production. Worldwide production of sweet corn is roughly 1.45 million tons, 72 percent of which is grown in the United States. Since 1980, U.S. sweet corn exports as a percentage of total

domestic production has grown from 9 to 21 percent, and there is ample room for further expansion.

Another strength of the U.S. industry lies in its superior production, sorting and packaging technologies. For decades, U.S. land grant universities, farmer cooperatives and private companies have worked jointly to develop new vegetable varieties, cultivation methods, harvesting equipment and processing techniques. These efforts are aimed at improving the color, texture, flavor, nutrition and freezing characteristics of vegetables. A few EC countries and Canada are the only competitors which come close to matching the diversity and quality of U.S. frozen vegetables.

Finally, product innovation is a U.S. industry strength. A superior ability to develop and introduce new products rapidly helps ensure excellent prospects for future exports. While product innovation in the canning industry is mostly limited to the development of new varieties and cut shapes, the U.S. frozen vegetable industry has begun a revolutionary phase of new product creation. With respect to frozen corn, the introduction of a new super sweet variety and "petite" cobs have created new sales opportunities, both at home and abroad. In the case of frozen mixed vegetables, new combinations are introduced each year for use as either side dishes or stir fry and salad entrees.

U.S. packers are now combining frozen mixed vegetables with new flavorings, pastas, puff pastry, sauces and soup mixtures in convenient polybags for sale to U.S. restaurants and supermarkets. FLAV•R•PAC®, a brand owned by NORPAC Foods, Inc., recently launched its new Grand Classics line of single and mixed vegetable side dishes. These products, like "Creamy Dill Scandinavian Medley" and "Cheddar Broccoli Normandy," were inspired by different international cuisines. Vegetable Stir Fry, another FLAV•R•PAC® product line, offers tremendous versatility for quick, easily prepared entrees when combined with rice, noodles or tortillas and served vegetarian style or with beef, pork or seafood.

Green Giant®, a brand owned by the Pillsbury Company, recently also launched two new frozen product lines for the U.S. market: Create a Stir! and International Mixtures. Both feature high-quality vegetable mixtures and include ready-to-use sauces in a pouch for added convenience. There are six products in the International Mixtures line including "French Style Garlic Dijon" and "Japanese Style Teriyaki."

While these new products target the U.S. market, U.S. companies are now devoting more resources to develop and market new products for several overseas markets. For the past few years, U.S. suppliers have organized recipe contests and hired local chefs to develop new products, conducted promotional campaigns, and worked closely with trading companies and local distributors to increase food service and retail sales. This growing attention to overseas markets is expected to further boost U.S. frozen vegetable exports.

Final Comment

With the gradual decline in domestic frozen vegetable sales during the past few years, export markets are playing an increasingly important role in driving industry sales growth. The current rush underway to bring new value-added, frozen mixed vegetable lines on the market is impressive. The industry expects these new value-added blends, stir fries, salads and soups to boost sales, increase profits and create jobs for the U.S. vegetable industry.

What is the next step in product innovation that will further boost exports of frozen mixed vegetables? The answer is: include ready-to-use sauces in a pouch to create new flavor themes and added convenience.

For more information, contact Ernest Carter at (202) 720-2922.

Feature: Pac Rim Fuels Consumer Food Export Boom

The global market for high-value U.S. consumer foods continues to expand. Last year's record \$14 billion in sales marked seven straight years of double digit growth. While sales are rising to most major markets throughout the world, much of the sales growth during the past decade is due to the Pacific Rim. With some of the fastest growing economies in the world, the demand for consumer food imports in the Pacific Rim continues to soar. This month, Agricultural Trade Highlights spoke with economists Michael Dwyer and Mike Woolsey, both with FAS' Trade and Marketing Analysis Branch, about the major reasons for this growth and some important trends in key Pac Rim markets and what they mean in terms of future sales opportunities for U.S. exporters of consumer foods.

ATH: Before discussing the Pac Rim in particular, would you review the performance of consumer food exports overall?

Dwyer: Sure. Last year's record exports of consumer foods helped boost total agricultural exports to almost \$43 billion, the second highest total on record. Rising consumer food exports are in sharp contrast to shipments of bulk commodities, such as wheat, corn, rice, soybeans, and cotton, which have been flat since 1988. As a result, they now account for less than half of total agricultural exports, down from 70 percent 15 years ago. On the other hand, consumer foods now account for 33% of exports, up from 15% in 1978 and are now well-established as the

growth sector in U.S. agricultural trade. We expect the record sales to continue through the 1990s, possibly reaching \$23 billion by 2000.

ATH: Which products are responsible for this growth?

Dwyer: Looking at the top performers during the last six years we see that the gains are broad-based, with nearly all consumer food categories reaching record highs last year. Clearly, there is a growing world demand for a wide variety of American foods. Some of the best performers include red meat such as beef. The U.S. shipped \$3 billion in red meat last year, up 200% from 1986. American snack foods are also becoming popular around the globe; sales are expected to reach almost \$1 billion

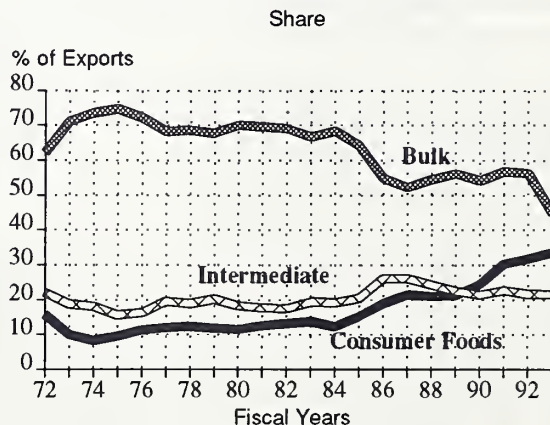
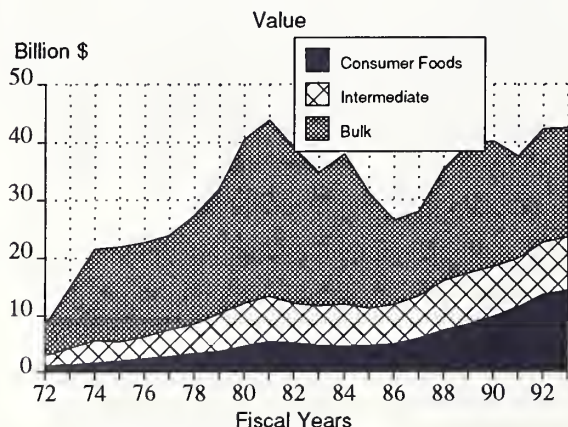
this year--up 500% from 1986. Other notable growth categories include poultry meat, fresh fruits and vegetables, processed fruits and vegetables, tree nuts, pet foods, wine and beer, and breakfast cereals--all doubling or tripling their export levels of 1986. Continued rapid sales gains in these items are expected in the years ahead.

ATH: Which markets are responsible for this growth?

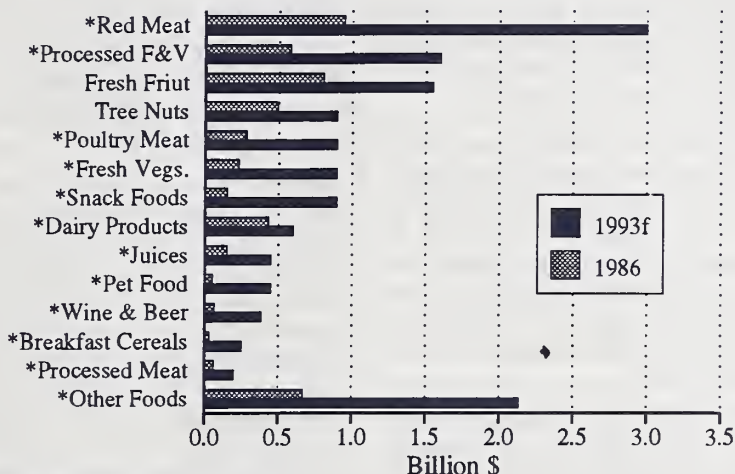
Dwyer: A quick look at sales during the past decade shows the importance of the Pacific Rim. Sales to the region grew by an average of almost 20 percent annually during the last seven years and now account for about half of worldwide U.S. sales. And with a continued reduction in trade barriers expected, this region could become even more important during the 1990s. Why? The reasons are many but one thing to keep in mind is that while the world has been mired in recession the last couple of years, nearly all of the East Asian economies except for Japan continued expanding at near double-digit growth rates. And our analysis suggests income growth is one of the major factors in expanding the demand for consumer food imports.

A review of the top markets in the Pacific Rim shows that Japan has grown the most during the past seven years

Consumer Foods Playing a Larger Role in U.S. Agricultural Exports



U.S. Consumer Food Exports Rise Almost 200 Percent Since '86 -- Most Products at Highs



Note: *Indicates record exports in '93

for many products. But while currently much smaller, we think that perhaps some of the best opportunities through the year 2000 are in the other Pac Rim markets, led by the four Asian tigers--Hong Kong, Taiwan, South Korea and to a lesser extent, Singapore. Shipments to the four tigers reached the billion dollar mark just two years ago and we expect they will reach \$2 billion in sales within the next couple of years. Down the scale some but rising rapidly are the emerging economies in the ASEAN-4 region, which includes the Philippines, Thailand, Malaysia, and Indonesia. While it might surprise many, Australia is another important growth market with sales topping \$100 million last year.

ATH: We'll return to what can be expected from these markets in the future, but will you first review what's behind the sales gains to date?

Woolsey: Let me quickly identify the factors fueling this growth then I'll follow up with a discussion of each one.

First, the rapid income growth along with a growing middle class means a

greater number of people can afford a more diverse well-balanced diet. These income gains are financing the second factor--tastes and preferences are increasingly changing from traditional foods towards more U.S. or western-style foods. These changing tastes are also due to consumer demographic trends which are raising the demand for convenient smaller portioned products. The third factor is trade liberalization. While substantial and unfair barriers remain in many Asian markets, each year the region becomes more open to imports and further barrier reductions are anticipated. The fourth factor is the lowering of the dollar since 1985. This made U.S. products more competitive and made it easier for consumers to try and acquire a taste for new imported foods. The fifth factor, USDA's market promotion program, is boosting consumer awareness of high-quality American food products and encouraging new firms to export.

Elaborating further, *rapid income gains* mean consumers can diversify and improve their diets through higher priced imports. U.S. products can cost two to three times as much as domes-

tic versions in Asia, but with a perceived quality advantage, these foods enjoy growing demand as more consumers are able to afford them. While incomes are highest in Japan, the fastest growing Asian economies are elsewhere, most notably Taiwan, Hong Kong, South Korea, and the ASEAN-4. Current forecasts are that these markets will continue to lead the region in income growth through the 1990s. This suggests opportunities for consumer food sales growth may be greatest in these emerging markets.

Changing tastes and preferences are increasingly toward more western-style diets which include both fresh and processed foods. The growing taste for U.S. food is a byproduct of increased travel and globalization via media and entertainment, such as satellite and cable TV. The young and educated have been the most inclined to try new foods.

One important symbol of the growing taste for U.S. food is the booming number of U.S. restaurants in Asia--both fast-food and family style. These restaurants are the first direct introduction to western foods for most Asian consumers. The rapid growth in number of outlets is expected to continue. McDonalds recently announced they plan to open 400 to 600 outlets each year to the year 2000. Many of these will be in Asia. This will help boost overall sales by continuing to raise the awareness of U.S.-style foods which, in turn helps boost sales of like products in the growing numbers of supermarkets.

Food marketing channels in the Pacific Rim responded to the growing demand for western foods and convenience with a rapid expansion in the size and number of western-style supermarkets. These new supermarkets stock a wide variety of imported foods and offer shoppers more hours to shop than do the more traditional corner grocers and wet markets. Supermarkets also allow for in-store promotions and product demonstrations, which are particularly popular in the Pac Rim

where stores tend to have a more festive atmosphere than here in the U.S.

The growing number of women in the workforce in Asia means dual-income families with less time for meal preparation. This raises the demand for convenience and food service. In most Asian markets, nearly half of the women now work, which is roughly double the share 20 years ago. Dual-income couples and single working people also tend to have less rigid meal times which encourages snacking. This helps explain the rapid sales growth in U.S. snack foods and other convenient products.

Another demographic development affecting food sales in Asia is smaller households. Like in the West, birth rates in most markets are declining and young adults are staying single longer. Fewer people per household leads to a greater focus on quality and less on quantity. Single-servings and innovative packaging also becomes more important when selling to these consumers.

Finally, there is a rising health consciousness in the Pacific Rim and this is affecting food sales. There is a growing demand for products low in salt, fat and calories. And foods positioned as healthy or organic do well. This is an important trend even in smaller, emerging markets such as Malaysia where U.S. nut and dried fruit shippers reported a strong sales response after positioning their products as healthful.

Factor number 3, *trade liberalization*, includes several important measures, such as the U.S.-Japan beef-citrus agreement which replaced quotas with tariffs. After this agreement went into effect, beef sales to Japan soared, reaching a record \$1.5 billion last year with further gains expected as tariffs continue a series of scheduled annual reductions. Other recent market access gains were made in Korea. Beef imports were partially liberalized just four years ago and already sales are up to more than \$200 million. And

under the measure commonly referred to as the "Balance of Payments Agreement", a wide variety of import restrictions in Korea were lifted. Exports of the affected products rose to almost \$100 million last year. More products to Korea will be liberalized in the mid-1990s once the final stage of the agreement is in effect.

Despite these and other gains, major trade restrictions remain, particularly in the developing Asian markets where governments are interested in protecting the home value-added consumer food industries. Tariffs on consumer foods average 30 to 60 percent and licensing restrictions often amount to outright bans.

For this reason, USDA believes a successful conclusion to the Uruguay Round agreement is important to U.S. exporters--lower barriers result in greater export opportunities. Department economists have estimated the annual sales gain from the agreement to all of agriculture at more than \$5 billion.

Factor number four, *the lower U.S. dollar*, helps U.S. exports in two ways: first, purchasing power of importers is boosted because the price in local currency is lower and secondly, the lower dollar makes U.S. products more price competitive vs. other exporters. The devaluation of the dollar has been significant. Since 1985 the dollar has fallen 38 percent against the ECU (the currency of our major competitor, the EC) and 29% against the broad-based SDR, which is a benchmark currency for all major countries. These lower prices, of course, have made introducing new U.S. products much easier during the past decade.

Factor number 5, *government support for export promotion*, helped boost the image of U.S. products against competitors abroad and encouraged more firms to export. Funding for the added consumer food promotion came from the 1985 and 1990 farm bills under the Targeted Export Assistance (TEA) and Market Promotion Program

(MPP) initiatives. These programs added up to \$150 million per year in export promotion money for consumer foods. More than half of the activities funded were in the Pacific Rim, mostly Japan and the Four Tigers.

ATH: Where do we go from here? What do the current trends tell us about new opportunities in the future?

Dwyer: Overall, we expect the global consumer food trade to continue rising by 6% a year, reaching \$130 billion by 2000, up from approximately \$90 billion in 1991. We also expect the U.S. share of that trade to continue growing, which will boost sales to more than \$23 billion by the year 2000, up from \$14 billion in 1992 and only \$5 billion in 1986. You can see the rise in the U.S. share of global trade since 1986 when the TEA and MPP programs began - from 10 percent to almost 15 percent today. The program's effects in differentiating U.S. products from the competition is expected to continue--making U.S. products even more competitive in global markets through the 1990s. In fact, the U.S. share is projected to rise to 17-18 percent by 2000.

I'd now like to turn to the best country market prospects for U.S. consumer foods. Every year we analyse and rank the best markets for U.S. consumer foods for the next three to six years. Globally, the Pacific Rim countries and our NAFTA partners--Canada and Mexico--dominate our outlook through 1998. We'll confine our comments today to the best opportunities in the Pacific Rim.

For several years in a row now, Japan has rated as the top prospect. As our top market in the world, the Japanese market is characterized by sophisticated tastes, high quality expectations, and an insatiable appetite for new products. But our analysis also forecasts strong sales gains in the smaller but fast-growing four Asian tigers, which includes Hong Kong, South Korea, Taiwan, and Singapore. The

...Pac Rim

rapid income gains in these markets will continue to be spread across more people. This expanding middle class presents excellent opportunities for increased imports of consumer foods. Increased opportunities are also forecast in the emerging markets of the ASEAN-4 region which includes the Philippines, Malaysia, Indonesia, and Thailand. American food is still new to most consumers in the ASEAN but this is expected to change dramatically through the 1990s with the gradual reduction in trade barriers and with the boom in western-style restaurants and expansion in modern supermarkets expected to continue. We also expect continued export expansion in Australia—a high-income market with a growing demand for new or improved versions of local products. And finally, our wild card is China. Exports to China are still small due to market access barriers. But the booming economy, particularly in Guangdong Province in the South and Shanghai, and a recent agreement to allow imports of a variety of products by the mid-1990s, should combine to make this a much larger consumer food market within three to five years.

ATH: Would you tell us more about your top prospect Japan?

Woolsey: We expect exports to Japan to reach a record \$3.6 billion in

1993. Recent sales gains have been broad-based with record sales in 9 of 16 consumer food categories last year. The slower growth expected this year is due to recession. GNP growth is forecast at just two percent in 1993. Through the 1990s food purchases will be impacted by continuing demographic trends such as the rising number of single-head of households and an aging population. Currently, for each person over 65 there are 5.3 people of working age, by 2000 that ratio will drop to 3.8. This phenomenon is creating a sharply higher awareness of how diet affects health and interest in healthy and organic foods. Finally, the Japanese commitment to brands is expected to continue to grow in Japan through the 1990s. Recently, the growing brand consciousness is forcing the chains to cut back on their private label product lines. All the major Japanese chains reported declining sales in their private label products last year.

ATH: What are the prospects for Hong Kong?

Woolsey: Sales to Hong Kong, our second best Pacific Rim prospect—and fourth best overall, are expected to reach a record \$700 million in 1993, marking five straight years of double-digit growth. Last year, there were record sales in 13 of 16 consumer food

categories with meats, fruit, and sweet snacks rising the most. Demand for premium foods has sharpened. Products such as U.S. beef and pistachios recently have each more than doubled their market shares in Hong Kong despite costing much more than the competition.

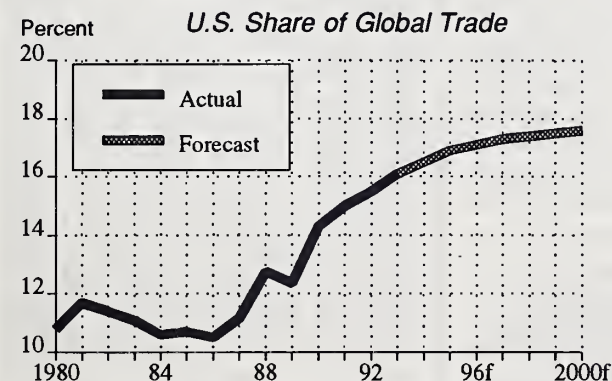
Hong Kong women entered the workforce in droves during the past decade and this is expected to continue. Today, roughly half are working, the highest share in Asia. The demand for frozen and convenient foods has soared and so has eating out. Meals away from home now account for half of total Hong Kong food expenditures. The food service sector, or what we term the HRI (hotel, restaurant, institutional) trade, is an important outlet for meats.

Hong Kong supermarkets continue to expand. The number of supermarkets doubled to more than 400 since 1987 and more new markets are expected through the mid-1990s. Many of these will be large, offering a wider variety of imported foods.

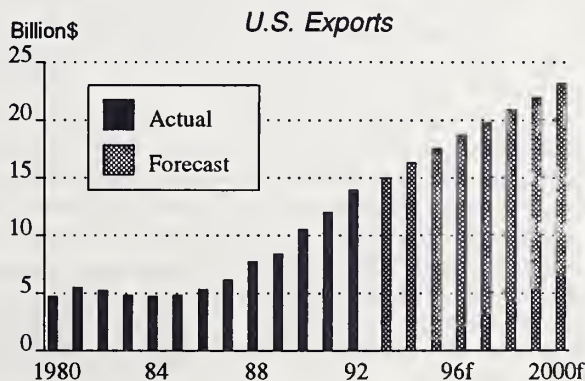
ATH: Isn't Hong Kong a major trans-shipment point to China?

Woolsey: That's right, and re-exports to China are becoming even more important. Almost half of Hong Kong's poultry meat imports are re-

Rising World Trade, Increased U.S. Competitiveness to Fuel U.S. Consumer Food Exports Through 2000



Note: Assumes MPP funding and value of U.S. dollar remain at current levels throughout forecast period.



Top Prospects for U.S. Consumer Food Exports, 1993-98 *Pac Rim and NAFTA Partners Dominate Outlook*

- * Japan
- * Canada
- * Mexico
- * Hong Kong
- * Taiwan
- * South Korea
- * EEC-12
- * Singapore
- * ASEAN-4(Malaysia, Thailand, Philippines, Indonesia)
- * Saudi Arabia & Other Gulf States
- * Australia
- * Caribbean Islands
- * WILD CARD: China

exported to Guangdong Province in China, up from just 6 percent in 1986. Significant amounts of nut and condiment imports are also re-exported and this is expected to continue growing with anticipated trade liberalization in China.

ATH: And what's the forecast for Taiwan?

Woolsey: Sales to Taiwan, our third best prospect in the Pacific Rim and fifth best overall, are expected to reach a record \$400 million in 1993. Best bets for the remainder of the 90s include beef, juices, single-serve frozen foods, and snacks. The U.S. is the largest supplier of imported food to Taiwan. Recent trends include a fast food hurricane - more than 100 U.S.-style outlets opened in the late 1980s from almost none before. Supermarket sales are also heating up. U.S. food is most popular among urban, young, educated adults. Green Giant discovered this when targeting young housewives in their promotions aimed at expanding the uses of canned corn. Last year, the U.S. shipped a record \$10 million in canned corn to

Taiwan with further gains expected in the next few years.

Sales to Taiwan are also helped by a rapidly changing distribution system for consumer foods; large modern supermarkets are replacing mom and pop grocers as the main source of food purchases. The number of large supermarkets has grown to more than 300, up from 130 in 1988. The largest chains operate their own warehouses and buy from more than 500 suppliers.

Despite these encouraging trends, the Taiwanese market will remain far from its potential until high tariffs and other barriers that protect their domestic food industries are removed. Tariffs on most food imports range from 40 to 60 percent. Complicated import licensing also restricts sales but these may be removed soon if the Taiwanese Government agrees to abide by GATT rules as it has expressed an interest in doing.

ATH: You mentioned South Korea as a good prospect. Doesn't it also have some very restrictive trade barriers?

Woolsey: South Korea also has a long history of trade restrictions that effectively ban imports of many products that could be good export prospects from the United States. Nonetheless, sales this year are expected to reach a record \$420 million; beef alone could account for about half of the total. The traditional suspicion of foreign products is a problem but it is steadily eroding. With more money in their pockets than ever before, Koreans want a higher standard of living and this includes consumption of improved and more diverse foods. Many of the trends you see in other Asian markets are occurring in Korea, such as rapid growth in western-style restaurants and an expansion in modern supermarkets. These trends are creating a growing interest in American foods, particularly beef, juices and other processed fruits and vegetables, fresh citrus and frozen foods. Frozen foods are really taking off. Total frozen food sales in Korea have grown by 40 percent since 1989.

Trade liberalization is expected to boost sales in the mid-1990s. The recent Balance of Payments trade agreement will mean automatic import licensing for 200 food products.

ATH: You mentioned Singapore as being among your best Asian prospects. Isn't it similar to Hong Kong?

Woolsey: Yes. Singapore is similar to Hong Kong, with high incomes, a large share of women in the workforce, and an important re-export trade. There has been a boom in variety of imports - the estimated number of American brands on supermarket shelves doubled during the past five years to almost 800. Singapore is a popular tourist attraction, which makes the HRI trade important. Last year there were twice as many tourist arrivals (6 million) as residents (3 million). The recent record sales in American high-quality beef to Singapore is due to this strong HRI demand.

Fast food and family-style restaurants are very popular in Singapore which has been an important product introduction vehicle for many products. Recently, many western-style sauces, dressings, and toppings have taken off at retail after first showing up in the restaurants.

Hawker centers or wet markets continue to be the main outlet for fresh fruits and vegetables. These are nice, well-maintained markets - U.S. fruit shippers report good sales response from their point-of-sale promotions set up in these facilities.

ATH: Who are the ASEAN-4 countries and what makes them good export market prospects?

Woolsey: The ASEAN-4, which includes the Philippines, Malaysia, Indonesia, and Thailand, is an exciting prospect with U.S. exports forecast at almost \$300 million this year, up from just \$147 million in 1990. U.S. shipments continue to grow despite high tariffs, restrictive licensing, and a variety of import bans. A Uruguay Round agreement, or progress in bilateral negotiations, would help open these markets and lead to much better export opportunities for U.S. firms.

Incomes are still low relative to the rest of Asia, but with growth estimated at 6-10% per year, they are rising faster than almost any other economies in the world, except China. Currently, the target market is the higher income entrepreneurial and professional class, which represents roughly 20-30 million consumers. Many have been educated in the West where they developed a taste for U.S. food and appreciate its quality. Through the 1990s we expect this target market will expand as income gains continue to be spread across more people--the growth of the middle class. Each year more and more consumers will visit a supermarket for the first time. For consumers outside the highest income group it is a festive, exciting event to go to a supermarket to try new western foods. These con-

sumers may shop only once every 2 months or so but as their incomes grow, so too will their visits to the supermarket.

The hottest products to the ASEAN right now are fresh fruit, processed fruits and vegetables, including sauces and condiments, snack foods and beef. Potato chips alone are expected to reach \$10 million in sales this year, while beef sales continue to rise despite aggressive promotions and lower priced products from Australia.

ATH: We're surprised you included Australia in your list of best prospects. Aren't they competitors?

Woolsey: They are competitors in a number of product areas such as beef but they are also a good market. Consumer food sales to Australia are projected to reach a record \$125 million in 1993. It's a high-income market, which despite a sluggish economy, continues to buy record amounts of U.S. foods. With their abundant farm sector providing nearly all types of food, products that are positioned as new and improved over the home versions sell well. Innovative packaging is also important. Some recent success stories include Pringles potato chips exported from the U.S. Introduced in 1992, Pringles has already claimed 10 percent of the Australian chip market. A number of European firms are doing well with a line of bakery products, such as cookies, pies and cakes. Sales are up to \$25 million after first being introduced in the late 1980s. Aggressive U.S. firms could successfully challenge the Europeans for this expanding business.

Products with good potential through the 1990s include snack foods. The total snack food market (including imports and domestic product) is booming with sales growing by more than 20 percent per year the past couple of years to \$700 million in 1992. Other promising prospects include counter-seasonal fruit, frozen fruits and vegetables, and beer. Mexican foods and

hot sauces have recently become popular as well.

Promotions are critical in getting a message across. Product demonstrations have been very successful on fresh fruit. TV and print media seems to work best for snack foods and can be cost effective. Four TV markets reach 90 percent of the population.

Unlike the rest of the Pacific Rim, U.S. products are often price competitive due to high labor costs in Australia where hourly wages in canneries for instance can average \$15. But slotting fees to get shelf space in Australian supermarkets can be high. The supermarket business in Australia is highly concentrated - three chains account for almost three-fourths of total grocery sales.

ATH: You also mentioned China.

Woolsey: Our wild card prospect is China. Currently, trade barriers keep out most consumer food imports. In fact, we project U.S. consumer food exports to China will reach only \$30 million this year. While this would be a new record, it is disappointing given China's growing number of consumers who can afford high-quality food imports. However, due to a recent bilateral agreement a variety of imports including fresh fruit and processed foods, will be permitted by the mid-1990s. Guangdong Province, one of the special economic zones in China, should be the focus of most exporters. At 15% a year, economic growth here has been phenomenal and is likely to continue at double-digit rates through much of the 1990s. The demand for improved foods is expected to be tremendous once the trade barriers are lifted. Already, Japanese-owned supermarkets such as Yaohan are opening in Guangdong to serve the booming number of consumers who can afford high-quality convenient foods.

ATH: Thank you.

Trade Policy Updates

Indonesia Lifts Imports Surcharge On Soybean Meal

According to a preliminary report from the U.S. agricultural attache in Jakarta, the Government of Indonesia announced the lifting of the 35 percent import surcharge on soybean meal as part of its 1993 Trade and Investment Deregulation Package. This development offers a significant trade opportunity for U.S. soybean meal exporters since Indonesian feedmills are known to prefer high protein U.S. meal over meal from other origins. Imports of soybean meal had been restricted via licensing, high tariffs and surcharges in order to protect the interests of an Indonesian monopoly soybean crushing facility. In addition to the surcharge on soybean meal, Indonesian press reports that 221 tariff line items and a total of 76 import surcharges were reduced as a result of the package.

Russia's GATT Accession Discussion Begins

At the June 16 GATT Council meeting in Geneva, U.S. representatives joined other Contracting Parties (CP's) in support of Russia's accession to the GATT. However, Russia's application will only be supported by the GATT CP's if that country's efforts to reform its economy and trade system continue. Further, the CP's want Russia to establish a free market system compatible with GATT provisions and institute reforms that will make it possible for Russia to seriously undertake the obligations of full membership.

Israel Imposes An Import Ban On French Fries

Israel's Council of Ministers has voted to impose an import ban on french fries. The Israeli Minister of Trade and Industry will reportedly appeal the decision. McDonald's Corporation, whose first franchise in Israel (scheduled to open in 1993) will be most affected by this decision, continues to oppose the import ban. The ban is contrary to previous reports that imports of french fries would be permitted subject to a 10% import duty.

Poland Adopts Higher Tariffs On Agricultural Products

On June 8, Poland adopted a tariff package that includes increased border protection on food imports, tariff reductions on industrial products and raw materials, and conversion of the 6 percent turnover tax to a 6 percent increase in tariffs on all items. The tariff changes will take effect on July 5. The higher tariffs will affect food products deemed sensitive to Polish producers such as potatoes, potato products, poultry meat, eggs, sugar, vegetables, tobacco, and coffee. The lower rates will apply to raw materials not produced in Poland, or in shortage. For the first time, tariffs will include seasonal rates for perishable fruits and vegetables. The United States is currently seeking to reduce a wide range of Polish tariffs under Poland's GATT re-accession negotiations.

Canada Announces Continental Barley Market

Canada has announced that, effective August 1, 1993, the Canadian Wheat Board (CWB) will no longer control Canadian barley exported to the United States. This action would allow Canadian farmers and exporters access to the United States while retaining CWB's marketing monopoly in offshore markets. As part of this decision, Canada also announced the import permit requirement for U.S. barley and barley products would be eliminated on August 1, 1993. As provided for in the U.S.-Canadian Free Trade Agreement (CFTA), Canada's import permit requirements for wheat and oats were eliminated previously.

Japan Permits Import of Apples From New Zealand

The New Zealand Prime Minister announced that, effective June 1, 1993, Japan began accepting the import of apples from New Zealand. While thanking Prime Minister Miyazawa and his government for making the decision, Prime Minister Bolger also noted that the decision was a culmination of a negotiation process, including "exhaustive technical discussions", which started 20 years ago. It was noted that the key to the negotiations was convincing Japan that New Zealand apples would not transmit codling moth or fireblight to Japan.

...Trade Policy Updates

China Agrees To GATT Principles On Agriculture

U.S. participants in the GATT Working Party on China's accession held May 24-28, were encouraged by positive statements by China about accepting GATT disciplines. According to the Agricultural Counselor in Geneva, China withdrew its request for an exception to GATT rules regarding agriculture. China had earlier demanded the exception on the basis of developing country status. A working party subgroup has been established to formulate questions regarding China's agricultural sector. Besides agriculture, the meeting also covered state trading, pricing and currency exchange.

Israeli Supreme Court Issues Ruling - Meat Market Must Open

A long-awaited ruling by the Supreme Court of Israel was issued recently, which in effect forces the Government of Israel (GOI) to liberalize its meat import regime. Despite concerns raised by one of the coalition parties currently in power, the GOI "within four months must allow free importation of meat". A list of approved U.S. plants already exists, and importers are anxious to begin sourcing beef and pork since some spot shortages are being reported. Israel is a growing market with initial annual sales estimated at about 40,000 tons (due to the influx of Russian and Central Europe emigres), and the United States is expected to eventually cover 20% of its import needs (8-10,000 tons). Although 80% of Israeli consumers still prefer kosher beef, preferences could change once the market is liberalized. Supermarkets are expected to continue to sell only kosher meat, but the majority of meat in Israel is sold through specialty outlets and corner butcher shops where non-kosher beef would be available.

Market Updates

Thailand Uses Barter and Government Re-Sales To Enhance Rice Imports

Thailand reportedly agreed to supply up to 200,000 tons of rice to the Philippines in trade for \$32 million of fertilizer. With sales sluggish and Thai export prices for rice nearly \$100 per ton lower than a year ago, the Thai government is scrambling to shore up rice prices for Thai farmers. In addition to countertrade with the Philippines, the Thai government instituted an export tender system for government-held stocks. The first export tender was scheduled for June 11.

Sudan Sells Sorghum To Japan, A Primary U.S. Market

Despite continuing famine in its southern region, Sudan for the first time exported sorghum to Japan. In addition to a recent 40,000-ton sale, Sudan reportedly is negotiating with Japanese trading companies for a larger, long-term presence in this 3.3 million ton market, which normally is supplied by the United States and Argentina. The United States supplied Japan an average of over 2 million tons annually in the past 5 years. Sudan intermittently has been both an exporter and an importer of sorghum; however, it has not been in the export market since the late 1980's, when it exported an average of 300,000 tons annually, mostly to the EC.

Italy Lifts Import Restriction On Honey

The Italian Government issued a decree on June 7 which will permit third country honey in consumer sized packages to enter without a previously required sanitary certificate. This action followed more than three years of effort on the part of the U.S. Agricultural Minister-Counselor's office in Rome, FAS/Washington, and APHIS. U.S. exporters, buoyed by the positive reception given U.S. consumer-pack honey in Italian trade shows in recent years, had been urging USDA to seek the removal of this trade restrictive and unscientific import requirement. The United States exported only small quantities of honey under the old policy, with 1992 shipments valued at just slightly more than \$14 thousand. However, this development is expected to provide a promising incentive for expanded U.S. honey exports, which globally were valued at \$7.2 million in 1992.

New EC Health Regime Opens Spanish Fruit Market

On June 1, Spain lifted phytosanitary bans on numerous fresh fruit imports from the United States as part of its implementation of a new, EC-wide plant health regime, according to the Agricultural Counselor's Office in Madrid. Prior to liberalization, the only exception to the Spanish ban on fruit imports from the United States was a 1992 bilateral agreement permitting apples and pears from Oregon and Washington to enter Spain after undergoing cold treatment. Based upon an earlier preliminary review, APHIS believes the EC's new phytosanitary import requirements for fresh fruits to be generally reasonable and scientifically sound. U.S. deciduous fruit and grapefruit are expected to benefit most from the export opportunities created by the lifting of the bans. Apples and pears from all regions of the United States will now be able to enter Spain as long as they meet the new phytosanitary requirements. U.S. apple exports to Spain under the previous protocol reached \$1.8 million in 1992, before falling off sharply due to a glut of EC-grown apples in the market. U.S. grapefruit exporters are also eager to explore the export potential in the Spanish market.

U.S. Apple Access To Taiwan Maintained With Postponement Of Codling Moth Regulations

Taiwan's Chairman of the Council of Agriculture (COA) agreed on June 7 to a request from the Director of the American Institute in Taiwan to postpone its promulgation of codling moth guidelines for apples. The U.S. industry finds these to be unworkable and unacceptable. COA wishes to continue technical consultations on the issue, but has announced that the upcoming orchard inspection trips will not be necessary. It now appears the proposed guidelines will not be applied to 1993 crop apples from the United States, as previously announced. U.S. apple exports to Taiwan in 1992 slightly exceeded \$80 million.

...Market Updates

Quotas On Non-U.S. Beef Into Canada Expected In Near Future

The Canadian International Trade Tribunal (CITT, a body similar to the U.S. International Trade Commission) conducted a 6-week study and concluded that boneless beef imports from countries other than the United States threaten to cause serious injury to Canadian cattle producers, slaughterers, and deboners. The investigation was requested by the Canadian Ministers of Finance, Agriculture, and International Trade. The CITT noted significant increases in imports of boneless beef at declining prices in early 1993, particularly from Australia and New Zealand. Based on the current rate of shipments from those countries and on forecasts of product leaving those countries, the CITT extrapolated that the total volume of product entering Canada during the first 6 months of 1993 should approximate the level of imports for all of 1992. The CITT recommended the implementation of Tariff Rate Quotas (TRQ's) for 1993, 1994, and 1995. The CITT recommended a quota of 72,021 metric tons (equivalent to the average of 1990-1992 imports). Imports above that total would be subject to an increase in duty from the current 4.41 Canadian cents per kilogram to 25 percent ad valorem. The Canadian Government announced it will implement the recommendations in the near future. Beef from the United States was not included in the study and will not be subject to the TRQ's because of the U.S.-Canada Free Trade Agreement.

EC Approves Special Pork Restitution To the FSU

On May 16, the EC Commission introduced an additional export restitution for pork to the former Soviet Union (FSU) of 600 ECU (U.S.\$744) per ton (MT). The restitution will be available until July 15, 1993, and is currently limited to 30,000 tons. Only whole carcasses are eligible for the restitution. Sources believe the additional funding for EC pork exports is to keep surplus Danish pork off the EC market. A recent 3-week strike in the Danish slaughterhouses resulted in a surplus of large and fat pigs. The Danish slaughter lines have difficulty handling the larger carcasses and Japanese traders do not like the fattier cuts.

No further trade of Danish pork is expected at this time with the FSU except for this special sale. Danish pork normally can only be sold in the higher priced markets such as Japan.

Brazil Buys U.S. Wheat--Without Either Credit or EEP

U.S. wheat is at least temporarily competitive without either EEP or GSM credit in the Brazilian wheat market. Brazil's private-sector buyers have purchased 165,000 tons of U.S. wheat in recent weeks. Argentine exportable supplies for the balance of this calendar year apparently are exhausted.

China Experiences Setback In Leaf Tobacco Export Plans

Leaf tobacco exports from the People's Republic of China--at 62,000 tons--were far below the 110,000 tons anticipated in 1992, and down 15 percent from the 1991 export level. Loss of markets in the former Soviet Union cut Chinese exports of leaf tobacco, although the loss was partially offset by higher Russian purchases of manufactured tobacco products. Lower-than-expected exports and higher-than-expected production led to record high carry-over stocks in China of 2.3 million metric tons. Despite this year's sluggish performance, the overall trend indicates that China will continue to develop as an important player in the international unmanufactured and manufactured tobacco market.

Canada Targets U.S. For New Barley Export Policy

Canadian farmers and exporters can sell barley directly to the United States after August 1, 1993, according to a Ministry of Agriculture decision to end the Canadian Wheat Board's (CWB) monopoly on sales of Canadian barley into the U.S. market. U.S. producers expect this move to increase U.S. barley imports from Canada and depress prices for their barley. Although it released its monopoly on barley sales and shipments to the United States, the CWB retained its exclusive sales rights to all other destinations.

...Market Updates

U.S. Share Of Italian Cotton Import Market Drops Significantly

For the first time in seven years, the U.S. was not the largest supplier of cotton to Italy in MY 1991/92. Italian cotton imports in MY 1991/92 totaled 1.4 million bales, down 5 percent from the previous year, and are estimated to fall further in MY 1992/93 to 1.3 million bales. The U.S. market share plunged to only 18 percent in MY 1991/92 versus 30 percent in the previous marketing year. U.S. cotton exports to Italy for the first 8 months of MY 1992/93 totaled 98,647 bales valued at \$35.1 million. This is down 36 percent in quantity and 42 percent in value from the same period last year. The Italian spinning industry and domestic textile industry are in their fourth year of recession and face increasing competition from cheap imported goods and soft export demand for their products. The market share lost by the United States has been taken up by lower-priced cotton from FSU countries including Uzbekistan, Azerbaijan, Tajikistan, and Turkmenistan. Italian imports of cotton from FSU countries nearly doubled during MY 1991/92 to 442,000 bales and FSU imports in MY 1992/93 (Aug-Dec) totaled 235,000 bales. Overall Italian imports of cotton are off slightly from last year's levels and will likely remain lower.

U.S. Cotton Exports To El Salvador Escalate

The need to produce food crops is reducing cotton production and increasing the need to import cotton in El Salvador. Once a significant exporter, it now imports about 90 percent of its domestic cotton needs, estimated at 90,000 bales in MY 1992/93. Civil unrest over the past decade contributed to the reduction of cotton farms in El Salvador and now, during the transition process, farmers are planting beans and corn. The United States is expected to supply the majority of El Salvador's cotton needs this year and in MY 1993/94. U.S. export commitments for MY 1992/93 total exceeds 45,000 bales, which is more than 50 percent of El Salvador's estimated import needs. For the next marketing year (1993/94), export commitments already surpass 33,000 bales.

EC Wheat Exports To FSU To Break All Records

EC wheat shipments to the FSU broke all records in April, reaching 1.2 million tons, roughly twice March or February levels. This intensity of movement will continue through the crop year ending in June, shattering the EC's annual record, and securely establishing the EC as the former Soviet Union's (FSU) pre-eminent wheat supplier. By juggling EC Commission credit, member-country credit, barter, and aid, the EC made the FSU a convenient destination for a record surplus of highly-subsidized wheat, most of which will go to Russia. No other supplier has approximated the EC's April performance since last July, when the United States and Canada each shipped 1.1 million tons through credit.

Drastic Reduction In Tobacco Prices Reported For Zimbabwe And Malawi

Opening tobacco auction prices in Zimbabwe and Malawi are down dramatically from a year ago. Low flue-cured prices are indicative of a surplus of tobacco on the world market may put pressure on U.S. tobacco farmers. In April, prices on the Zimbabwe auction market were around US\$0.99 per kilogram, compared with US\$1.83 in 1992, and US\$2.90 in 1991. April flue-cured prices on the Malawi auction were around US\$1.05 per kilogram, compared with US\$1.81 in 1992, and US\$2.32 in 1991. South African tobacco crop quality in was low in 1992 because of drought, but reports indicate 1993 tobacco is of good quality. The excess world supplies could work toward decreasing U.S. exports and increasing U.S. imports.

Taiwan's Rice Farmers Gain Additional Support

Under a new purchasing policy, Taiwan's government will spend approximately \$80 million for 117,000 tons of additional rice purchases to increase the incomes of Taiwan's rice farmers. The decision to increase support for rice is a departure from the previous policy's goal of eliminating over-production of rice (and the subsequent dumping on the world market) by switching rice area into alternate crops. The changes in rice policy could return corn and sorghum acreage to rice.

...Market Updates

EC Extends Wine Accord Derogations Allowing U.S. Exports

On May 17, the EC extended for one year derogations from EC wine import requirements which (1) allow authorized U.S. wineries to use a simplified procedure for certifying U.S. exports to the EC, and (2) permit U.S. producers exporting to the EC to use certain winemaking practices that the Community does not normally recognize for imports into the EC. The EC granted the original derogations as part of its obligations under the 1983 U.S.-EC Wine Accord. Their extension is intended to allow trade to flow while negotiations toward a new wine agreement continue. During the life of the Accord, U.S. wine exports to the EC have grown from \$8 million in 1984 to almost \$63 million in 1992.

Russia Extends Grace Period For Imports Of U.S. Pork

The Russian Main Veterinary Administration extended its grace period for imports of U.S. pork and pork products through the end of July. The Russians granted a one-month grace period the end of April after a delegation of U.S. veterinary officials reached agreement with Russia on sanitary-clearance protocols for all meat imports except pork. During this grace period, U.S. pork meat must be used only for processing into cooked or canned products. Russian veterinary officials requested that further negotiations be held in the United States July 10-17.

New Obstacles Delay Opening of Mexico's Market To U.S. Grapes

Despite earlier indications of a willingness to lift its long-standing import licensing restrictions on U.S. grapes, Mexico has raised new, phytosanitary-based obstacles which will further delay the market opening for an undetermined time. As a result, it is likely that the opportunity to market this year's crop in Mexico will be lost. Mexico is now insisting that a pest risk assessment for grapes be conducted to determine whether the commodity can freely enter, and, if so, under what conditions (e.g. treated versus untreated). In light of recent developments, that trip was canceled. In the past, the United States exported small quantities (\$2.3 million in CY 1992) of grapes to Mexico despite the existing barriers, while Mexican shipments to the U.S. last year were valued at more than \$67 million, with simple inspection being the only import requirement.

Russia Adopts New Laws Hoping To Decrease Dependence On Grain Imports

Russia plans to increase grain subsidies and price supports in an effort to stimulate production and reduce dependence on imported grain. The Russian Parliament passed a law prescribing higher direct payouts, higher grain prices, low-interest credit, and tax breaks for farmers. This program would sharply raise overall spending on agriculture, which already consumes a third of Russia's total budget. The program faces an uphill battle as farmers remain skeptical of the initiative's benefits. Increasing expenditures on domestic production with a potentially ineffectual program, without first instituting more market-oriented reforms to the grain sector, may mean that the need to spend hard currency on grain imports will continue unabated.

U.S. Wheat Imports From Canada Set Record

The United States imported record quantities of wheat from Canada in the first 10 months of the current marketing year. From June 1992 to March 1993, imports exceeded 1 million tons, 16 percent more than was shipped in the entire 1991/92 marketing year and 50 percent more than in all of 1990/91.

Rice Deal With Philippines Firms Thai Prices

Thailand will ship 150,000 tons of rice to the Philippines for phosphate fertilizer, and hope to conclude similar agreements with Russia and North Korea that could total 500,000 tons. Thai prices are currently at the lowest levels in at least 5 years, but this barter business is now providing support for Thai rice prices and may indicate that prices have bottomed out.

...Market Updates

U.S. Wheat Imports Increase

U.S. wheat and product imports reached an unprecedented 72 million bushels, about 2 million tons, during the marketing year which ended in May 1993, and will likely increase next year. Sourced almost exclusively from Canada, record U.S. wheat imports, particularly durum, have angered U.S. growers along the U.S.-Canada border who claim they now compete with subsidized, Canadian wheat to make sales to local U.S. elevators.

U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 – 1992 and Year – to – Date Comparisons
(thousands of dollars)

Product	1988	1989	1990	1991	1992	1992	1992	1993	% Chg
BULK COMMODITY TOTAL	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	7,428,236	7,241,427	7,241,427	-2.5
Wheat	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	1,619,353	1,747,990	1,747,990	7.9
Coarse Grains	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	2,002,712	1,889,716	1,889,716	-5.6
Rice	803,764	971,123	801,527	753,557	726,072	219,961	252,313	252,313	14.7
Soybeans	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	1,728,355	1,975,232	1,975,232	14.3
Cotton	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,012,557	645,347	645,347	-36.3
Tobacco	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559	620,545	503,875	503,875	-18.8
Pulses	240,667	298,404	353,111	268,414	191,656	63,340	68,025	68,025	7.4
Peanuts	155,518	192,670	203,373	180,304	240,308	66,434	65,132	65,132	-2.0
Other Bulk Commodities	222,916	214,275	209,199	255,304	301,989	94,978	93,798	93,798	-1.2
INTERMEDIATE TOTAL	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134	3,153,692	3,182,603	3,182,603	0.9
Wheat Flour	192,737	257,937	182,956	184,256	184,317	61,387	89,777	89,777	46.2
Soybean Meal	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	471,206	467,606	467,606	-0.8
Soybean Oil	476,970	358,723	312,930	222,126	376,202	126,813	116,467	116,467	-8.2
Other Vegetable Oils	428,943	423,994	394,790	418,144	502,732	162,370	187,943	187,943	15.7
Feeds & Fodders (Excl Pet Foods)	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327	589,422	620,644	620,644	5.3
Live Animals	606,201	490,501	513,783	686,563	607,891	195,924	134,704	134,704	-31.2
Hides & Skins	1,826,493	1,696,164	1,729,731	1,357,570	1,326,054	462,145	427,359	427,359	-7.5
Animal Fats	559,145	510,153	428,729	426,824	515,214	155,315	171,322	171,322	10.3
Planting Seeds	423,528	510,214	588,723	671,655	675,011	268,000	279,621	279,621	4.3
Sugars, Sweeteners, & Beverage Bases	289,637	409,198	572,052	634,101	573,921	174,472	181,871	181,871	4.2
Other Intermediate Products	1,000,030	1,179,702	1,272,743	1,426,946	1,452,744	486,638	505,290	505,290	3.8
CONSUMER – ORIENTED TOTAL	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994	4,356,887	4,531,777	4,531,777	4.0
Snack Foods (Excl Nuts)	282,234	364,429	530,125	633,040	829,679	245,288	311,728	311,728	27.1
Breakfast Cereals & Pancake Mix	59,069	91,881	157,882	216,802	219,762	67,832	87,727	87,727	29.3
Red Meats, Fresh/Chilled/Frozen	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361	987,675	930,264	930,264	-5.8
Red Meats, Prepared/Preserved	118,679	100,638	135,998	165,101	181,562	54,024	60,002	60,002	11.1
Poultry Meat	458,117	509,426	672,888	817,913	928,464	276,201	299,660	299,660	8.5
Dairy Products	578,281	430,741	328,053	462,956	793,754	222,697	270,398	270,398	21.4
Eggs & Products	117,193	90,685	101,979	143,367	139,234	47,091	42,701	42,701	-9.3
Fresh Fruit	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344	528,714	463,192	463,192	-12.4
Fresh Vegetables	319,584	356,015	728,648	832,935	899,624	341,667	357,834	357,834	4.7
Processed Fruit & Vegetables	855,922	1,003,616	1,246,753	1,394,490	1,558,121	484,273	507,025	507,025	4.7
Fruit & Vegetable Juices	271,030	291,248	375,497	385,414	461,017	158,081	157,135	157,135	-0.6
Tree Nuts	751,201	683,332	801,120	867,704	928,531	268,213	261,232	261,232	-2.6
Wine and Beer	151,763	206,095	266,202	315,756	369,181	109,158	106,028	106,028	-2.9
Nursery Products & Cut Flowers	83,797	104,887	186,741	201,442	201,321	85,356	87,862	87,862	2.9
Pet Foods	133,563	175,539	244,038	329,772	399,630	125,557	155,841	155,841	24.1
Other Consumer – Oriented Products	615,166	622,997	808,706	979,907	1,190,410	355,061	433,148	433,148	22.0
AGRICULTURAL TOTAL	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	14,938,815	14,955,807	14,955,807	0.1

Note: (*) Highest export level since at least 1970.

U.S. Agricultural Exports by Major Commodity Group

Monthly and Annual Performance Indicators

Export Values	April			October – April			Fiscal Year		
	1992	1993	Change	1991/92	1992/93	Change	1992	1993(f)	Change
	–\$Billion–			–\$Billion–			–\$Billion–		
Grains and Feeds 1/	1.360	1.367	1%	8.606	9.103	6%	14.095	14.2	1%
Wheat & Flour	0.445	0.499	12%	2.825	3.134	11%	4.482	4.8	7%
Rice	0.058	0.070	20%	0.457	0.458	0%	0.758	0.7	–8%
Feed Grains 2/	0.597	0.510	–15%	3.431	3.396	–1%	5.659	5.3	–6%
Corn	0.433	0.401	–7%	2.658	2.769	4%	4.593	4.5	–2%
Feeds & Fodders	0.165	0.186	13%	1.221	1.327	9%	2.077	2.2	6%
Oilseeds and Products	0.594	0.508	–15%	4.994	5.285	6%	7.338	7.5	2%
Soybeans	0.351	0.302	–14%	3.156	3.472	10%	4.311	4.5	4%
Soybean Cakes & Meals	0.116	0.089	–23%	0.855	0.812	–5%	1.334	1.2	–10%
Soybean Oil	0.032	0.013	–58%	0.198	0.208	5%	0.356	0.4	12%
Other Vegetable Oils	0.035	0.041	16%	0.265	0.303	14%	0.491	NA	NA
Livestock Products	0.464	0.476	3%	3.456	3.408	–1%	5.973	6.0	0%
Red Meats	0.229	0.247	8%	1.642	1.703	4%	2.935	3.0	2%
Hides & Skins	0.103	0.106	3%	0.757	0.732	–3%	1.317	1.3	–1%
Poultry Products	0.088	0.093	6%	0.706	0.739	5%	1.195	1.3	9%
Poultry Meat	0.064	0.072	11%	0.521	0.550	6%	0.887	NA	NA
Dairy Products	0.050	0.071	43%	0.401	0.526	31%	0.733	0.9	23%
Horticultural Products	0.560	0.616	10%	4.008	4.099	2%	6.844	7.0	2%
Unmanufactured Tobacco	0.181	0.139	–23%	0.996	0.961	–3%	1.568	1.6	2%
Cotton and Linters	0.218	0.157	–28%	1.578	1.027	–35%	2.195	1.7	–23%
Planting Seeds	0.042	0.058	39%	0.487	0.506	4%	0.667	0.7	5%
Sugar & Tropical Products	0.138	0.133	–3%	1.015	1.108	9%	1.706	1.7	–0%
Forest Products 4/	0.545	0.694	27%	3.872	4.290	11%	6.761	NA	NA
Total Agriculture	3.695	3.619	–2%	26.247	26.762	2%	42.314	42.5	0%

Export Volumes	– – MMT – –			– – MMT – –			– – MMT – –		
			Change			Change			Change
Grains and Feeds 1/	9.488	9.993	5%	62.668	66.882	7%	NA	NA	NA
Wheat	3.180	3.452	9%	22.849	22.496	–2%	34.289	35.5	4%
Wheat Flour	0.073	0.148	102%	0.451	0.698	55%	0.808	1.0	24%
Rice	0.169	0.248	47%	1.360	1.490	10%	2.281	2.4	5%
Feed Grains 2/	4.985	4.919	–1%	30.024	33.695	12%	50.195	53.3	6%
Corn	3.615	3.880	7%	23.121	27.493	19%	40.597	44.5	10%
Feeds & Fodders	0.918	1.048	14%	6.787	7.142	5%	11.711	12.3	5%
Oilseeds and Products	2.357	2.011	–15%	20.112	21.838	9%	28.881	29.8	3%
Soybeans	1.542	1.326	–14%	14.147	15.733	11%	19.247	20.3	5%
Soybean Cakes & Meals	0.586	0.459	–22%	4.016	4.022	0%	6.301	6.0	–5%
Soybean Oil	0.070	0.028	–61%	0.425	0.414	–3%	0.747	0.7	–6%
Other Vegetable Oils	0.054	0.072	35%	0.406	0.514	26%	0.782	NA	NA
Livestock Products 3/	0.230	0.238	4%	1.569	1.677	7%	2.770	NA	NA
Red Meats	0.069	0.074	6%	0.499	0.508	2%	0.870	0.9	3%
Poultry Products 3/	0.061	0.077	26%	0.475	0.556	17%	0.821	NA	NA
Poultry Meat	0.058	0.074	28%	0.455	0.534	17%	0.787	0.9	14%
Dairy Products 3/	0.030	0.036	20%	0.226	0.288	27%	0.399	NA	NA
Horticultural Products 3/	0.499	0.527	6%	3.479	3.477	–0%	5.951	6.1	3%
Unmanufactured Tobacco	0.028	0.022	–22%	0.158	0.160	1%	0.246	NA	NA
Cotton & Linters	0.158	0.120	–24%	1.064	0.775	–27%	1.527	1.4	–8%
Planting Seeds	0.073	0.053	–27%	0.488	0.400	–18%	0.705	NA	NA
Sugar & Tropical Products 3/	0.093	0.068	–27%	0.659	0.536	–19%	1.102	NA	NA
Total Agriculture 3/	13.02	13.14	1%	90.90	96.59	6%	143.64	150.0	4%

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

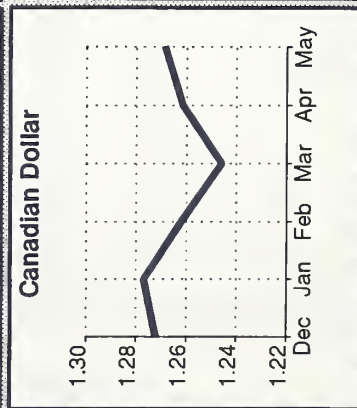
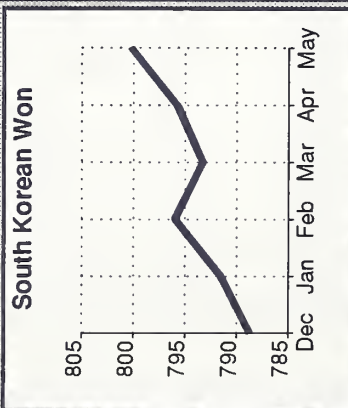
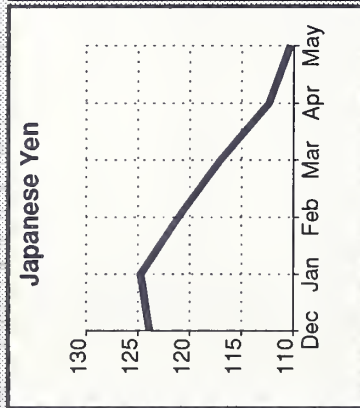
Note: FY 1993 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published on May 27, 1993..

U.S. Agricultural Export Value by Region
Monthly and Annual Performance Indicators

	April			October–April			Fiscal Year		
	1992	1993	Change	1991/92	1992/93	Change	1992	1993(f)	Change
	–\$Billion–			–\$Billion–			–\$Billion–		
Western Europe	0.574	0.474	–17%	5.411	5.440	1%	7.726	8.1	5%
European Community	0.530	0.433	–18%	5.067	5.157	2%	7.183	7.6	6%
Other Western Europe	0.045	0.041	–8%	0.344	0.282	–18%	0.543	0.5	–8%
Eastern Europe	0.026	0.049	88%	0.122	0.326	167%	0.221	0.5	126%
Former Soviet Union	0.226	0.205	–9%	1.876	0.899	–52%	2.640	1.9	–28%
Asia	1.480	1.329	–10%	9.875	9.636	–2%	15.989	15.5	–3%
Japan	0.769	0.764	–1%	5.024	4.939	–2%	8.364	8.1	–3%
China	0.087	0.042	–52%	0.530	0.214	–60%	0.690	0.4	–42%
Other East Asia	0.442	0.386	–13%	3.058	3.003	–2%	4.929	4.9	–1%
Taiwan	0.185	0.176	–5%	1.215	1.230	1%	1.913	1.9	–1%
South Korea	0.191	0.142	–25%	1.349	1.240	–8%	2.200	2.1	–5%
Hong Kong	0.066	0.067	3%	0.493	0.522	6%	0.816	0.9	10%
Other Asia	0.183	0.137	–25%	1.263	1.480	17%	2.005	2.1	5%
Pakistan	0.001	0.001	–4%	0.153	0.169	11%	0.226	0.2	–12%
Philippines	0.052	0.033	–35%	0.249	0.345	39%	0.442	0.5	13%
Middle East	0.110	0.179	63%	0.985	1.204	22%	1.717	1.9	11%
Israel	0.020	0.048	144%	0.212	0.232	10%	0.342	0.3	–12%
Saudi Arabia	0.036	0.034	–4%	0.322	0.292	–9%	0.506	0.4	–21%
Africa	0.192	0.238	24%	1.124	1.743	55%	2.201	2.5	14%
North Africa	0.129	0.161	25%	0.789	1.021	29%	1.312	1.6	22%
Egypt	0.085	0.066	–22%	0.452	0.471	4%	0.709	0.7	–1%
Algeria	0.033	0.041	25%	0.225	0.269	20%	0.382	0.5	31%
Sub–Saharan Africa	0.062	0.077	23%	0.335	0.722	115%	0.889	0.9	1%
Latin America	0.586	0.597	2%	3.731	4.063	9%	6.384	6.7	5%
Mexico	0.395	0.341	–14%	2.132	2.141	0%	3.653	4.0	9%
Other Latin America	0.191	0.256	34%	1.599	1.922	20%	2.731	2.7	–1%
Brazil	0.006	0.011	63%	0.116	0.158	36%	0.143	0.2	40%
Venezuela	0.030	0.042	39%	0.198	0.332	67%	0.393	0.4	2%
Canada	0.424	0.453	7%	2.733	2.958	8%	4.804	5.0	4%
Oceania	0.029	0.031	6%	0.260	0.250	–4%	0.424	0.4	–6%
World Total	3.695	3.619	–2%	26.247	26.763	2%	42.314	42.5	0%

Note: FY 1993 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published on May 27, 1993.

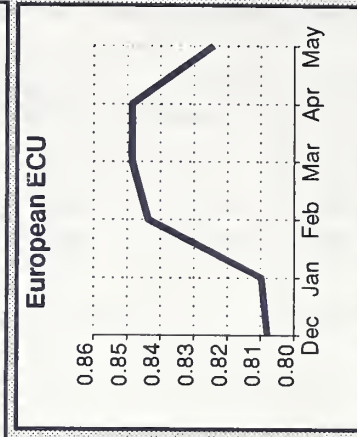
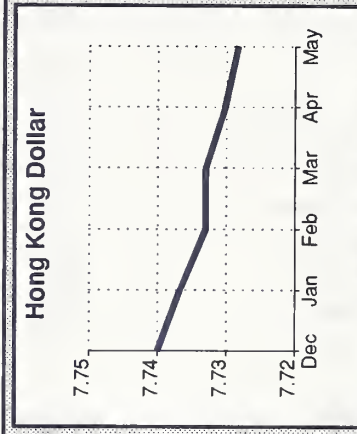
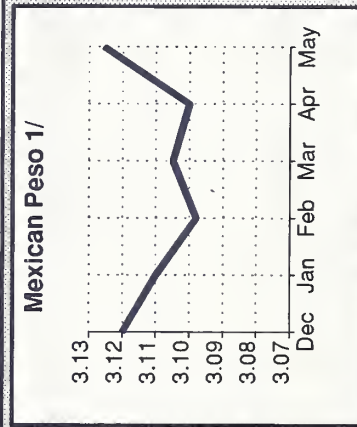
Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 6/18/93	Month Ago 5/19/93	Year Ago 6/92	% Change Year Ago 6/92
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.4743	1.4468	1.3254	11.23
Brazilian Cruzeiro	47166.01	36216.01	3106.91	1418.10
Canadian Dollar	1.2743	1.2657	1.1962	6.53
Hong Kong Dollar	7.7350	7.7285	7.7370	-0.02
Japanese Yen	109.63	110.67	126.80	-13.54
Mexican Peso 1/	3.12	3.12	3.12	0.00
Taiwan Dollar	25.97	25.70	24.45	6.22
South Korean Won	802.00	801.10	805.75	-0.47
European ECU	.85734	.83050	.76429	12.17
-British Pound	.6687	.6485	.5363	24.68
-French Franc	5.6445	5.4759	5.2755	6.99
-West German Mark	1.6800	1.6255	1.5663	7.26

1\Expressed in New Pesos. The Mexican Peso was converted on January 1, 1993 at a rate of 1,000 to 1.

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, June 18, 1993.
Source: TEID/TTP/FAS Exchange Rate Database and Wall Street Journal.



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